

Financial Regulations

Chapter 1. General Provisions

Article 1 (Purpose)

The purpose of these Regulations is to establish sound and efficient financial management by prescribing matters necessary for the financial and accounting operations of Woosong University Kazakhstan (hereinafter referred to as the “University”).

Article 2 (General Principles)

The financial and accounting affairs of the University shall be governed by the Budget Code of the Republic of Kazakhstan, the Law on Education, the Law on Accounting and Financial Reporting, and other relevant laws and regulations of the Republic of Kazakhstan, and matters not stipulated therein shall be governed by these Regulations.

Article 3 (Fiscal Year)

The fiscal year of the University shall be from January 1 to December 31 in accordance with the laws of the Republic of Kazakhstan; provided, however, that the academic year for university operations shall be from September to August of the following year.

Article 4 (Classification of Accounts)

① The accounts of the University shall be classified into university accounts (tuition accounts and non-tuition accounts) and special accounts.

② Tuition accounts shall be classified and managed as follows according to the nature of financial resources:

1. Grant Tuition Account: tuition funded by government education grants
2. Self-Paying Tuition Account: tuition paid directly by students or their guardians

③ The tuition accounts under Paragraph 2 shall belong to the same accounting category; however, revenues, expenditures, and balances shall be managed separately and independently, and shall not be intermingled.

Article 5 (Prohibition of Direct Use of Revenue)

All revenues of the University shall be incorporated into the budget for revenues and expenditures, and shall not be used directly without budget allocation.

Article 6 (Management of Funds)

All collected funds shall be managed in accordance with a fund execution plan, and shall be deposited in financial institutions to ensure proper execution.

Article 7 (Borrowings)

Short-term or long-term borrowings for university accounts shall be made by the Chairman of the Board with the approval of the Board and supervisory authority, and must have secured repayment sources; short-term borrowings shall be repaid within the relevant fiscal year.

Article 8 (Closing of Accounts)

All receipts and disbursements of the University shall be closed on the last day of the fiscal year.

Chapter 2. Budget

Article 9 (Principle of Budget Gross Accounting)

All revenues and expenditures shall be included in the budget, and all transactions shall be reflected in the budget and shall not be offset.

Article 10 (Budget Preparation Procedures)

- ① The head of the budget department shall establish budget preparation guidelines 60 days before the beginning of each fiscal year and notify each department.
- ② Each department shall prepare a budget request within its jurisdiction in accordance with the guidelines and submit it to the head of the budget department by the designated deadline.
- ③ The following documents shall be attached to the budget request:
 1. Business plan
 2. Copies of supporting documents for mandatory projects under laws and regulations and contractual matters
 3. Other documents necessary for budget preparation
- ④ If the head of the budget department finds the submitted budget request unreasonable, he/she may consult in advance with the submitting department to prevent unreasonable execution after the budget is established.

Article 11 (Finalization of Budget)

- ① The head of the budget department shall prepare the draft budget of the university accounts and, after consultation with financial officers and deliberation and resolution by the relevant committee, obtain approval from the President and submit it to the Board of Directors at least 30 days before the beginning of the fiscal year.
- ② The finalized budget shall be notified to each department and disclosed in accordance with the scope and method prescribed by relevant laws.

Article 12 (Provisional Budget)

If the budget is not finalized before the beginning of the fiscal year due to unavoidable reasons, such reasons shall be reported to the Board, and until the budget is established, the following expenses may be executed in accordance with the previous year's budget:

1. Salaries of faculty and staff
2. Essential expenses directly used for education
3. Maintenance and management expenses of school facilities
4. Legally obligated expenses
5. Emergency expenses approved by the President

Article 13 (Supplementary Budget)

- ① If it is necessary to change an already finalized budget due to reasons arising after its approval, the head of each executing department shall follow the procedures prescribed in Article 10.

Article 14 (Contingency Fund)

- ① If a reason arises to use the contingency fund, prior approval shall be obtained through a contingency fund request.
- ② The contingency fund may only be used for unavoidable expenditures that cannot be predicted or exceed the budget and shall not be used for items reduced during budget adjustment.

Article 15 (Prohibition of Execution Before Budget Establishment)

- ① No budget shall be executed unless it has been established in accordance with these Regulations.
- ② No execution exceeding the approved budget shall be made without following the supplementary budget

procedure.

Article 16 (Restriction on Use of Budget)

Budget expenditures shall not be used for purposes other than those specified.

Article 17 (Budget Transfer)

- ① Budget shortages and surpluses within the same category may be transferred; however, transfers to items reduced during budget formulation shall not be allowed.
- ② If budget transfer is necessary, the head of the executing department shall prepare a request and obtain prior approval from the President.

Article 18 (Carryover and Continuation of Expenditures)

- ① If it is necessary to carry over expenditures not executed within the fiscal year due to unavoidable reasons, a request shall be submitted together with the budget request.
- ② In the case of projects spanning more than one fiscal year, expenditures may be distributed over multiple years.

Article 19 (Budget Execution Control)

- ① Budget preparation and execution functions shall be separated and controlled.
- ② Each department shall prepare a semester-based execution plan and submit it.
- ③ Budget allocations shall be made quarterly after approval by the President.
- ④ Any changes to execution plans shall require approval.
- ⑤ Prior control shall be conducted on budget execution regarding:
 1. Whether execution is within allocated budget
 2. Appropriateness of expenditure
 3. Recording in budget ledger
 4. Analytical review materials

Chapter 3. Accounting

Article 20 (Authority over Revenue and Expenditure)

- ① Authority over revenue and expenditure shall be exercised by the General Director of Woosong University Kazakhstan LLP or the President delegated by him/her.
- ② The person responsible for revenue shall be referred to as the Revenue Responsible Officer, and the person responsible for expenditure shall be referred to as the Expenditure Authorizing Officer.
- ③ Such authority may be delegated in accordance with internal delegation rules.

Article 21 (Revenue and Expenditure Officers)

- ① Revenue and expenditure officers shall be appointed.
- ② They shall be designated as heads of the accounting department.

Article 22 (Collection and Receipt of Revenue)

- ① All revenues shall be collected by the revenue officer.
- ② Only authorized collectors may collect revenues.
- ③ Payment notices shall be issued to obligors.
- ④ Revenues shall be received only by authorized officers.
- ⑤ Collected funds shall be deposited without delay.

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Article 23 (Prior-Year Revenue and Refunds)

- ① Revenues from closed fiscal years shall be included in current-year revenue.
- ② Refunds shall be handled accordingly.

Article 24 (Refund of Overpayments)

- ① Overpaid revenues shall be refunded directly.

Article 25 (Principles of Expenditure)

- ① Expenditures shall be made only upon authorization.
- ② Within budget limits.
- ③ Through financial institutions.
- ④ Based on expenditure resolutions.

Article 26 (Commitment of Expenditure)

- ① Departments shall initiate expenditure commitments.
- ② Supporting documents shall be attached.

Article 27 (Advance and Estimated Payments)

The scope of expenditures for advance and estimated payments shall be governed by the Civil Code of the Republic of Kazakhstan, the Law on Accounting and Financial Reporting, and relevant laws and internal regulations.

Article 28 (Accounting Principles)

The accounting of the University shall be conducted in accordance with the Law on Accounting and Financial Reporting, IFRS, and relevant laws of Kazakhstan.

Article 29 (Contracts)

All contracts shall be concluded in accordance with the Civil Code of the Republic of Kazakhstan and relevant laws (including the Law on Public Procurement where applicable) based on principles of competitiveness, transparency, and efficiency, and detailed matters shall be determined by internal regulations and the General Director.

Chapter 4. Properties (Goods)

Article 30 (Scope of Goods)

Goods shall mean tangible assets and inventory (equipment, instruments, consumables, etc.) excluding cash, securities, and real estate, and their classification and management shall follow the Law on Accounting and Financial Reporting, IFRS, and the internal regulations of the University.

Article 31 (Property Manager and Assistant Property Managers)

- ① The property manager shall be the President.
- ② Assistant property managers shall be deans, heads of divisions/offices, department heads, and heads of each administrative unit.

Article 31-2 (Property Custodian)

The property custodian shall be appointed by selecting appropriate personnel from the finance and accounting department.

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Article 32 (Duty of Property Management)

The property manager, property custodian, and property users shall fulfill their duties with due care as prudent administrators.

Article 33 (Receipt and Disbursement of Goods)

The property custodian shall receive and disburse goods under the direction of the property manager.

Article 34 (Disposal of Obsolete Goods)

- ① The determination of goods that are unusable or cannot be repaired and reused shall be made by the property manager.
- ② If such obsolete goods are sold, the proceeds shall be included in the University's revenue budget.
- ③ Detailed regulations on the disposal of obsolete goods shall be separately determined by the President.

Chapter 5. Settlement of Accounts

Article 35 (Settlement of Accounts)

The settlement of accounts of the University shall be conducted in accordance with the Law on Accounting and Financial Reporting, the Tax Code of the Republic of Kazakhstan, the Budget Code of the Republic of Kazakhstan, and IFRS, and the procedures and details shall be governed by the internal regulations of the University.

Chapter 6. Books, Forms, and Supplementary Provisions

Article 36 (Books and Forms)

The books and forms to be maintained by the University shall be prepared in accordance with the Law on Accounting and Financial Reporting, IFRS, and relevant laws, and may be determined by internal regulations in accordance with the characteristics of the University.

Article 37 (Responsibility of Accounting Personnel)

Employees responsible for the receipt, disbursement, custody, or management of revenues, expenditures, goods, and assets shall be liable for compensation according to the extent of damage if they fail to fulfill their duty of care as prudent administrators.

Article 38 (Handover of Duties)

- ① When accounting personnel are replaced, they shall complete the handover of duties within 5 days from the date of appointment.
- ② The handover documents shall include supporting documents such as bank balance certificates, and three copies shall be prepared, one of which shall be submitted to the Chairman of the Board through the President.

Article 39 (Mutatis Mutandis Provision)

Matters concerning responsible departments, department heads, staff, and approving authorities specified in these Regulations shall follow the University's regulations on division of duties and delegation of authority.